

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, JANUARY 19, 2011, AT 4:00 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:00 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen C. Hittner, M.D; Joseph S. Larisa (arrived at 4:15 p.m.); Michael A. Traficante; Robert D. Sangster; Deborah M. Thomas.

BOARD MEMBERS ABSENT: Joseph M. Cianciolo; Russell W. Hahn.

ALSO PRESENT: Kevin A. Dillon, A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Traficante and seconded by Mr. Sangster

to approve the minutes of the Board Meeting of November 17, 2010, and the Special Board Meeting of November 29, 2010. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from President and CEO:

Mr. Dillon reported that passenger traffic for the month of December was down 3.30%. Year to date traffic was down 9.06%.

Mr. Dillon reported that total general aviation operations for the month of December were up 9.96%. Total fuel sales were up 43.73%. Fuel sales for the calendar year 2010 were up 10.82%.

Mr. Dillon reported that the focus continues on air service marketing. Mr. Dillon reported that Delta had announced they would be adding additional flights at T. F. Green, which will include a daily flight to and from Raleigh Durham which is an important business market. Delta will also strengthen its service to Minneapolis St. Paul, Detroit and Reagan National Airport in Washington, DC. Mr. Dillon noted that this represents a 41 percent increase in total seats for Delta.

Mr. Dillon reported that he has meetings scheduled with several airlines over the coming months.

Mr. Dillon gave a status update on the commuter rail service, reporting that the service started on December 6, 2010 with a limited schedule. Initial reports show that 100 passengers are using the service, each way. The schedule will be increased once post interlocking work is completed at the end of the summer, and it will be increased again once the Wickford station comes on line.

Mr. Dillon reported that RIAC, in partnership with FHWA, RIDOT, the City of Warwick, and RIPTA completed an evaluation of all modes of transportation accessing the InterLink. There were several immediate recommendations for additional highway signs, and some longer term safety recommendations on improvements for pedestrian and vehicle circulation in the vicinity of the InterLink.

Mr. Dillon reported that work is continuing on the EIS, and dialogue is continuing with the FAA on advancing the overall schedule.

Mr. Dillon reported that Ms. LaVerne Reid, Manager, of FAA's Airport's Division for the New England Region had retired on January 1, 2011. FAA has appointed an Acting Manager while they conduct the selection process for a permanent manager.

Mr. Dillon reported that the Corporation is in the process of

implementing the changes which are part of the new Collective Bargaining Agreement.

Mr. Dillon gave an overview of the recent snow events, indicating that the snow crews had done a stellar job in keeping the airport open. There was discussion of the media coverage which was very positive.

4. Action Items:

(a) Consideration of and Action Upon Approval of a Professional Services Agreement for Landscape Services and Maintenance at T. F. Green Airport.

Mr. Dillon gave an overview of the project, reporting that the services are for the care and maintenance of designated landscape areas at T. F. Green Airport. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a one-year Professional Services Agreement to provide landscape services and maintenance with Shalvey Bros. Landscape, Inc.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, on September 23, 2010, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) for

Landscape Services and Maintenance for T. F. Green Airport pursuant to RIAC Procurement Rules; and

WHEREAS, RIAC received four proposals on October 18, 2010, in response to this RFP; and

WHEREAS, the Selection Committee comprised of Alan Andrade, Vice President of Operations and Maintenance; Guy DeCristofaro, Manager of Airfield Maintenance and Billy Cox, Manager of Business Administration reviewed and evaluated the proposals; and

WHEREAS, based on the evaluations, the Selection Committee unanimously recommends Shalvey Bros. Landscape, Inc. to perform these services; and

WHEREAS, the approved Fiscal Year 2011 Operating and Maintenance budget includes \$61,712 for Landscape Services.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a one year Professional Services Agreement in the amount of \$51,000 to provide landscape services and maintenance with Shalvey Bros. Landscape, Inc. with two additional one year renewal options at the sole discretion of RIAC.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of Professional Services Agreements for On-Call Airport Planning Services at T. F. Green and the General Aviation Airports.

Mr. Dillon gave an overview of the services provided under these Agreements. It was noted that funding will be established on a task by task basis. There was brief discussion of the process for allocating monies for these services. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a one year Professional Services Agreement, with two additional one year renewal options at the sole discretion of RIAC for On-Call Airport Planning Services at T. F. Green Airport and the General Aviation Airports with (1) The Louis Berger Group, (2) CHA, Inc., and (3) Wilbur Smith Associates.

A motion was made by Ms. Thomas and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, on October 29, 2010, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) for On-Call Airport Planning Services pursuant to RIAC Procurement Rules; and

WHEREAS, RIAC received nine proposals on November 19, 2010, in response to this RFP; and

WHEREAS, the Selection Committee comprised of Ann Clarke, Sr. Vice President of Planning, Engineering and Environmental; Vince Scarano, Airport Planner; and Billy Cox, Manager of Business Administration reviewed and evaluated the proposals; and

WHEREAS, based on the evaluations, the Selection Committee unanimously recommends the firms of (1) The Louis Berger Group, (2) CHA, Inc., and (3) Wilbur Smith Associates to perform services on an as-needed basis; and

WHEREAS, funding will be established on a task by task basis.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a one year Professional Services Agreement, with two additional one year renewal options at the sole discretion of RIAC, for On-Call Airport Planning Services at T. F. Green Airport with (1) The Louis Berger Group, (2) CHA, Inc., and (3) Wilbur Smith Associates.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval of Professional Services Agreements for On-Call Pavement Repairs and Site Work Services at T. F. Green and the General Aviation Airports.

Mr. Dillon gave an overview of the Agreements noting funding will be established on a task by task basis. There was general discussion on the RFP process and the funding related to these services. The recommendation is that the Board authorize the President and CEO, or his designee, to execute one year Professional Services Agreements with two additional one year renewal options at the sole discretion of RIAC, for On-Call Pavement Repairs and Site Work Services at T. F. Green Airport and the General Aviation Airports with (1) William Anthony Excavation, (2) International Paving Corporation, and (3) Cardi Corporation.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, on September 23, 2010, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) for On-Call Pavement Repairs and Site Work Services pursuant to RIAC Procurement Rules at T. F. Green Airport and the General Aviation Airports; and

WHEREAS, RIAC received six proposals on October 18, 2010, in response to this RFP; and

WHEREAS, the Selection Committee comprised of Guy DeCristofaro, Manager of Airfield Maintenance; Eric Seabury, Project Engineer; and

Billy Cox, Manager of Business Administration reviewed and evaluated the proposals; and

WHEREAS, based on the evaluations, the Selection Committee unanimously recommends the firms of (1) William Anthony Excavation, (2) International Paving Corporation, and (3) Cardi Corporation to perform services on an as-needed basis; and

WHEREAS, funding will be established on a task by task basis.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a one year Professional Services Agreement, with two additional one year renewal options at the sole discretion of RIAC, for On-Call Pavement Repairs and Site Work Services at T. F. Green Airport and the General Aviation Airports with (1) William Anthony Excavation, (2) International Paving Corporation, and (3) Cardi Corporation.

The motion was passed unanimously.

(d) Consideration of and Action Upon Proposed Lease with Specialty Diving Services, Inc., at Quonset Airport.

Mr. Dillon gave an overview of the proposed lease reporting that

Specialty Diving Services is looking to lease 1.83 acres of land and 575 feet of bulkhead effective February 1, 2011. The lease will have a five year term and will include one five year mutual option term commencing February 1, 2016. Mr. Dillon reported that the Quonset Development Corporation (QDC) manages the land in question on behalf of RIAC and has represented that the terms of the lease agreement are commercially reasonable and has approved the lease. There was brief discussion of the insurance provisions in the lease. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Lease Agreement with Specialty Diving Services, Inc.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (“RIAC”) has the responsibility of developing revenue to support its General Aviation airport system from certain real estate parcels at the Quonset State Airport (“Revenue Producing Parcels”) leased to RIAC by the State of Rhode Island; and

WHEREAS, the Revenue Producing Parcels are managed on behalf of RIAC by the Rhode Island Economic Development Corporation (“RIEDC”) and/or its subsidiary, the Quonset Development Corporation (“QDC”); and

WHEREAS, RIAC is entitled to the revenues derived from the Revenue Producing Parcels; and

WHEREAS, RIAC and QDC presently lease portions of the Revenue Producing Parcels to Specialty Diving Services, Inc. on a month-to-month basis; and

WHEREAS, Specialty Diving Services, Inc. would like to execute a new lease effective February 1, 2011 for 1.83 acres of land and 575 linear feet of bulkhead for the purposes of marine construction related business activities, including but not limited to equipment storage, fabrication, material staging and barge loading and unloading; and

WHEREAS, the initial lease term will be for a period of five (5) years, commencing February 1, 2011, with a rent of \$108,475 per year; and

WHEREAS, the lease will include one (1) five (5) year mutual option term commencing February 1, 2016 with rent of \$122,034.37 per year; and

WHEREAS, this will be a triple net lease with the tenant responsible for all real estate taxes, operating expenses and utilities associated with the premises; and

WHEREAS, no capital improvements are required under the lease;

and

WHEREAS, the QDC has represented, inter alia, that the rent and terms of the lease agreement are commercially reasonable.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a Lease Agreement containing terms substantially similar to those detailed in this resolution with Specialty Diving Services, Inc.

The motion was passed unanimously.

(e) Consideration of and Action Upon Proposed Lease with Reagan Construction Corporation at Quonset Airport.

Mr. Dillon gave an overview of the proposed lease reporting that Reagan Construction Corporation is looking to lease 2.00 acres of land and 200 feet of bulkhead effective February 1, 2011. The lease will have a five year term and will include one five year mutual option term commencing February 1, 2016. Mr. Dillon reported that the Quonset Development Corporation (QDC) manages the land in question on behalf of RIAC and has represented that the terms of the lease agreement are commercially reasonable and has approved the lease. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Lease Agreement with Reagan

Construction Corporation.

A motion was made by Ms. Thomas and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) has the responsibility of developing revenue to support its General Aviation airport system from certain real estate parcels at the Quonset State Airport (Revenue Producing Parcels) leased to RIAC by the State of Rhode Island; and

WHEREAS, the Revenue Producing Parcels are managed on behalf of RIAC by the Rhode Island Economic Development Corporation (RIEDC) and/or its subsidiary, the Quonset Development Corporation (QDC); and

WHEREAS, Reagan Construction Corporation (Reagan) would like to execute a lease effective February 1, 2011 for approximately two (2) acres of land and 200 linear feet of bulkhead for the sole purposes of marine construction staging and vessel berthing; and

WHEREAS, the initial lease term will be for a period of five (5) years, commencing February 1, 2011, with a rent of \$60,000 per year; and

WHEREAS, the lease will include one (1) five (5) year mutual option term commencing February 1, 2016 with a rent of \$69,000 per year;

and

WHEREAS, this will be a triple net lease with the tenant responsible for all real estate taxes, operating expenses and utilities associated with the premises; and

WHEREAS, no capital improvements are required under the lease; and

WHEREAS, Reagan is currently working with the Federal Aviation Administration to obtain a Determination of No Hazard to Air Navigation based on the proposed use of the property; and

WHEREAS, the QDC has represented, inter alia, that the rent and terms of the lease agreement are commercially reasonable.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a Lease Agreement containing terms substantially similar to those detailed in this resolution with Reagan Construction Corporation, subject to a Federal Aviation Administration Determination of No Hazard to Air Navigation.

The motion was passed unanimously.

5. By-Laws Committee Report:

Mr. Sangster reported that there had been three meetings to review the Bylaws, and the Committee was recommending several updates and amendments.

Consent Item:

(a) Consideration of and Action Upon Amendments to the Rhode Island Airport Corporation's By-Laws.

Mr. Frazier gave a brief overview of the amendments. There was discussion of the changes and Mr. Dillon noted that they included several recommendations made by the Board at their last planning session, including the streamlining of committees. Mr. Dillon reported that the detailed review of the current Board Delegation Table will be completed by the Human Resources Committee.

A motion was made by Mr. Sangster and seconded by Mr. Larisa to approve the following resolution:

WHEREAS, the Board created the By-Laws Committee to evaluate possible updates and amendments to the Corporation's By-Laws; and

WHEREAS, the By-Laws Committee met and reviewed draft revisions to the By-Laws with the Corporation's executive staff; and

WHEREAS, the proposed revisions included (1) inserting a broader description of the Corporation; (2) identifying the statutory limitations of the Corporation Act; (3) adding a more detailed description of the role of the President and Chief Executive Officer; (4) designating the Board Chair as an alternate member on all committees; (5) establishing the Finance and Audit Committee as the sole standing committee of the Board; and (6) updating the indemnity provisions; and

WHEREAS, on December 8, 2010, the By-Laws Committee voted to approve the draft revisions and recommended that the Board approve the revised By-Laws.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approves the proposed amendments to the By-Laws, in substantially the form presented, and as recommended by the By-Laws Committee.

The motion was passed unanimously.

6. Human Resources Committee Report:

Mr. Sangster reported that the Committee had met on December 8, 2010, and had reviewed contractual issues.

(a) Consideration of and Action Upon Renewal of the Rhode Island Airport Corporation Health and Dental Insurance Coverage.

Mr. Schattle gave an overview of the current and proposed monthly premiums for health and dental insurance. Mr. Schattle reported that the proposed increase in health insurance falls below the trend of 12% – 15% and the increase in dental insurance falls below the trend of 8%. There was discussion of the process for negotiating the new rates. It was noted that the Corporation will be scheduling a review of RIAC's complete benefit package.

A motion was made by Mr. Sangster and seconded by Ms. Thomas to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is currently under contract with Blue Cross/Blue Shield of Rhode Island (Blue Cross) to provide health and dental insurance for RIAC's employees and their families; and

WHEREAS, this contract renews each February 1st, at which time the premiums are adjusted; and

WHEREAS, RIAC management, with the assistance of its health insurance consultant, Borah Associates (Borah), negotiated a 6% premium increase for health coverage, a 2.9% increase for family

dental and a 3.6% increase for individual coverage; and

WHEREAS, Borah recommends and RIAC staff agrees, that the Blue Cross coverage be renewed at the proposed rates; and

WHEREAS, the increase in health insurance falls below the trend of 12% to 15% and the increase in dental insurance falls below the trend of 8%; and

WHEREAS, RIAC has a fiscal year budget, which provides funding for these services through its Operating and Maintenance (O&M) budget; and

WHEREAS, although this line item will exceed budgeted expectations by approximately fifteen percent, RIAC staff continues to manage its overall cost structure in line with current revenue streams.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute an Insurance Contract Renewal for one year with Blue Cross/Blue Shield of Rhode Island for both health and dental insurance coverage effective February 1, 2011.

The motion was passed unanimously.

7. Executive Session:

A motion was made by Ms. Thomas and seconded by Mr. Sangster to amend the agenda to add to the Executive Session a discussion item for information purposes only a topic related to the investment of public funds regarding third party management considerations of general aviation airports where the advance disclosure of these discussions would be detrimental to the public. The motion was passed unanimously.

At approximately 4:30 p.m., a motion was made by Ms. Thomas and seconded by Mr. Sangster to go into Executive Session for the purposes of discussing the following items:

(a) Motion to Approve the Minutes of the Executive Sessions Held on November 17, 2010 and November 29, 2010 – R.I.G.L. § 42-46-5(a)(1), (2), (5) and (7); and

(b) Discussion Related to Two Potential Litigation Matters (EIS and RIPDES) - R.I.G.L. § 42-46-5(a)(2); and

(c) Discussion Related to the Acquisition of Real Property for Public Purposes at T. F. Green Airport - R.I.G.L. § 42-46-5(a)(5); and

(d) Discussion Related to the Investment of Public Funds Where the Advance Disclosure of This Discussion Would be Detrimental to the

**Public Interest (General Aviation Airports) - R.I.G.L. § 42-46-5(a)(7);
and**

**(e) Discussion Related to Personnel (Job Performance) - R.I.G.L. §
42-46-5(a)(1).**

(f) Motion to Return to Open Session.

**For the record, in relation to Item 7 (e), Discussion Related to
Personnel (Job Performance), the affected individual was notified in
writing that this public body intended to convene in Executive
Session in order to discuss their job performance and declined to
have that discussion take place in Open Session.**

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Joseph S. Larisa

Michael A. Traficante

Robert D. Sangster

Deborah M. Thomas

NAYS: None

ABSTAIN: None

At approximately 6:02 p.m., a motion was made by Mr. Sangster and seconded by Mr. Traficante to reconvene to the Open Session. The motion was passed unanimously.

8. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held on January 19, 2011.

A motion was made by Mr. Larisa and seconded by Ms. Thomas to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Joseph S. Larisa

Michael A. Traficante

Robert D. Sangster

Deborah M. Thomas

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken During Executive Session:

During the Executive Session a motion was made to approve the sealed minutes of the Executive Sessions held on November 17, 2010 and November 29, 2010. The motion was passed unanimously.

9. Action Item:

(a) Consideration of and Action Upon Approval for the Board Chair to Take All Appropriate Actions in Accordance with the President and CEO Contract.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following statement:

The Board recognizes that Mr. Dillon's Fiscal Year 2010 performance merits a pay for performance payment. However, Mr. Dillon requested, and the Board concurs, that this pay for performance payment not be paid due to the organization's current financial constraints and overall economic conditions.

The motion was passed unanimously.

10. Future Meetings:

The next meeting is scheduled for Wednesday, February 16, 2010 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

11. Adjournment:

Mr. Sangster moved to adjourn at approximately 6:04 p.m. Mr. Traficante seconded the motion. The motion was passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D., Chair
Rhode Island Airport Corporation**

**PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
ON WEDNESDAY, JANUARY 19, 2011**

NAME AFFILIATION

Brian Schattle RIAC

Peter Frazier RIAC

Patti Goldstein RIAC

Ann Clarke RIAC

Alan Andrade RIAC

Patti Goldstein RIAC

Robert Goff New England Parking

Woody Creswell The Paradies Shops

Meredith Pickering Senate Fiscal Office

Jim Fox Yard Works Inc.

Dale Wilde Hoyle Tanner and Associates

Val Mendonca HNTB

Mark Champigny Louis Berger

Mike Kennedy Gilbane

Jim Miklas Wilbur Smith

Jordan Taylor Leo A. Daly

Andrew Tillett- Saks Unite Here Local 217

Martin Calel Unite Here Local 217

Rodger Allinson Unite Here Local 217

The minutes of the Executive Session of the Board Meeting of January 19, 2011, have been sealed in accordance with R.I.G.L. § 42-46-4.